

**STAFF MEETING MINUTES  
LANCASTER COUNTY BOARD OF COMMISSIONERS  
COUNTY-CITY BUILDING, ROOM 113  
THURSDAY, NOVEMBER 18, 2010  
8:30 A.M.**

Commissioners Present: Ray Stevens, Vice Chair  
Larry Hudkins  
Bob Workman  
Deb Schorr

Commissioners Absent: Bernie Heier, Chair

Others Present: Kerry Eagan, Chief Administrative Officer  
Gwen Thorpe, Deputy Chief Administrative Officer  
Cori Beattie, Deputy County Clerk  
Ann Taylor, County Clerk's Office

The Vice Chair opened the meeting at 8:30 a.m.

**AGENDA ITEM**

**1 APPROVAL OF THE MINUTES OF THE THURSDAY, NOVEMBER 4, 2010 STAFF MEETING**

**MOTION:** Workman moved and Hudkins seconded approval of the November 4, 2010 Staff Meeting minutes. Hudkins, Workman and Stevens voted aye. Schorr was absent from voting. Motion carried 3-0.

**2 ADDITIONS TO THE AGENDA**

- A. Press Release and National Association of County Officials (NACo) Newsletter Article Regarding Expansion of Drug Court
- B. Personnel Matter (Executive Session)

**MOTION:** Workman moved and Hudkins seconded approval of the additions to the agenda. Workman, Stevens and Hudkins voted aye. Schorr was absent from voting. Motion carried 3-0.

**3 A) ATTORNEY BILLING GUIDELINES; AND B) BUDGET UPDATE - Juvenile Court Judge Roger Heideman; Theresa Emmert, Juvenile Court Administrator; Dennis Meyer, Budget and Fiscal Officer**

## **A) Attorney Billing Guidelines**

Juvenile Court Judge Roger Heideman said the Juvenile Court developed Juvenile Court Attorney Fee Guidelines to clarify what are reimbursable and non-reimbursable items (see agenda packet). He said the guidelines became effective August 1<sup>st</sup> and said the Juvenile Court subsequently received an onslaught of billings dating back two prior fiscal years.

Schorr arrived at the meeting at 8:34 a.m.

Stevens said it was his understanding that billings have to be submitted within 90 days.

Kerry Eagan, Chief Administrative Officer, said that is correct, adding the County Clerk's Office audits claims and "flags" those that exceed the 90-day time period.

Theresa Emmert, Juvenile Court Administrator, said the billings are also reviewed by her and her staff and must be approved by the judge that is presiding over the case.

## **B) Budget Update**

Theresa Emmert, Juvenile Court Administrator, said the number of 3A (Abuse & Neglect) case filings are up this year and said the majority of payments are in that category. She said it appears to be on pace to be the highest number of 3A filings in the last ten years.

Schorr inquired about the cause.

Judge Heideman attributed it to domestic violence and substance abuse issues in the homes.

Emmert said boarding home contracts are also a large part of their budget and said they are currently running about \$22,000 a month. **NOTE:** Those costs typically average \$25,000 a month.

## **Returning to Item A**

Tim Genuchi, Accounting Operations Manager, County Clerk's Office, appeared and explained that his office considers the 90-day period to begin when the judge orders payment.

## **PUBLIC PARTICIPATION RULES**

Schorr expressed concern that some of the conversations occurring during the public comment portion of the meeting have no relevancy to County government and asked for suggestions on how it might be controlled.

Eagan said the Open Meetings Act does not require a governing body to make a public comment period available at every meeting. He said most governing bodies have a public comment period and said the Board has been a little more liberal in that it allows members of the public to comment on any item, as well.

Cori Beattie, Deputy County Clerk, said her office would like clarification on whether the Board would like them to set the timer during presentations or while speakers are responding to questions from the Board. **NOTE:** Those wishing to speak on items specific to the agenda are limited to five minutes. That time period may be extended at the discretion of the Chair.

Board consensus was to allow the County Clerk's staff to use their judgement on when to utilize the timer. There was also consensus to ask the Chair to visit with one of the parties that frequently makes comments at the meeting and ask him to restrict his comments to matters relating to County business.

## **ACTION ITEMS**

- A. Authorize Payment of National Association of Government Defined Contribution Administrators (NAGDCA) Dues from Pension Reimbursement Account

Eagan said the annual fee is \$300.

**MOTION:** Schorr moved and Hudkins seconded approval. Schorr, Stevens, Workman and Hudkins voted aye. Motion carried 4-0.

## **ADMINISTRATIVE OFFICER REPORT**

- A. Vacation of North Street in the Unincorporated Village of Agnew

Hudkins said a reasonable effort has been made to contact Todd B. and Michelle Jansa to determine their wishes. **NOTE:** Vacation of North Street would restrict access to Lot 24, the long, narrow lot owned by the Jansa's, to Hudson Street (Agnew Road).

There was general consensus to schedule the matter for public hearing.

- B. County Extension Board Reappointments (Wesley Daberkow, Debhora Day and Linda Butcher)

The Board scheduled the reappointments on the November 23, 2010 County Board of Commissioners Meeting agenda.

- C. Salaries for Unclassified Employees/Chief Deputies

**MOTION:** Workman moved and Stevens seconded to ask the Personnel Department to conduct a comparability study and report the results to the Board by December 16, 2010. Workman, Hudkins, Schorr and Stevens voted aye. Motion carried 4-0.

**4 PENSION PLAN INVESTMENT AND ADMINISTRATIVE REVIEW -**  
Russell Paoletti, Vice President, Investment Strategy, Prudential Retirement; Kristy Dinh, Vice President, Relationship Management, Prudential Financial

Kristy Dinh, Vice President, Relationship Management, Prudential Financial, addressed several ongoing issues:

- Plans to roll funds in The Hartford 457 Deferred Compensation Program over to Prudential's 457 Deferred Compensation Program by the end of December

Dinh asked that the conversion be delayed until January, 2011. She said the process will take six to eight weeks and said Prudential will dedicate a staff person to the conversion to work with The Hartford to determine whether there will be "back-end" charges and to do the fund mapping and participant notices.

There was no objection to the request.

- Roth 457 Option

Dinh said a bill was recently passed that allows Roth 457 plans in governmental 457 plans. She said a Roth 457 will allow plan participants to put after-tax dollars into a 457 plan. Dinh said it is a value-added benefit that has no extra cost and can be added any time after January 1, 2011.

Russell Paoletti, Vice President, Investment Strategy, Prudential Retirement, said they are still waiting for the final regulations from the IRS to clarify contribution types.

- New fee disclosure rules

Dinh said the Department of Labor issued interim final regulations for participant notification of fee disclosure on October 14<sup>th</sup>. She said they typically apply only to the Employee Retirement Income Security Act of 1974, or (ERISA), 401(k) plans. Dinh said the ruling states plan participants have to be notified of administrative recordkeeping costs. She said that does not apply to the County's plan because there isn't a "hard dollar" charge for plan participants. Dinh said there are additional regulations relating to investment expenses and the disclosure of how those fees are being paid and how they are utilized. It also states that plan participants have to be apprised of expenses before joining the plan, and on an annual basis. She said the regulations do not become effective until November 1, 2011 and said the County is not required to follow them because it does not have an ERISA plan.

Paoletti said the County might want to wait and see what the disclosures look like before making a decision on whether to follow the regulations.

Eagan noted that the County has used ERISA as a guide in the past.

Paoletti presented Retirement Plan Strategies (Third Quarter 2010, Investment Review of the Lancaster County, Nebraska Retirement Plans) (Exhibit A), noting the following:

- Market Commentary
  - ▶ Economic Review

Paoletti said the markets continue to be volatile.

Eagan asked Paoletti to discuss investing in non-traditional assets like commodities.

Paoletti said commodities have been doing very well. He said the price of gold has risen to an all-time high and said some investors have been migrating towards that commodity because of concerns that the value of the dollar has declined.

In response to a question from Hudkins, Paoletti briefly discussed Quantitative Easing (QE), a monetary policy used by some central banks with the aim of decreasing long-term interest rates, generally through a buy-back of government bonds. He said the financial markets oppose the practice because if you put more dollars into the financial system, they are worth less.

Eagan asked whether non-traditional assets have a place in a pension plan.

Paoletti said he believes they do, but said education is crucial to make sure participants are informed about the proper way to utilize the funds.

Workman asked whether Exchange Traded Funds (ETF's) would be an option.

Paoletti said participants would have to trade them through a "brokerage window" (a designated brokerage account). He also discussed the following:

- ▶ Financial Market Returns
  - ▶ Domestic Equity Style Returns
  - ▶ S&P 500 Sector Performance
  - ▶ International Index Returns
  - ▶ U.S. Treasury Yield
  - ▶ Economic & Market Outlook
- Plan Summary
    - ▶ Summary of Assets

Paoletti noted that the majority of the retirement plan's assets are invested in the Gibraltar Guaranteed Fund, noting its rate for the past quarter was 3.99%.

In response to a question from Eagan, Paoletti clarified that amounts contributed to the Gibraltar Guaranteed Fund, which is a group annuity product issued by Prudential Retirement Insurance and Annuity Company (PRIAC), are deposited in a separate account. **NOTE:** Page 14 erroneously stated that the funds are deposited in PRIAC's general account.

Workman asked how the funds are invested.

Paoletti said they are invested U.S. Treasury Bonds, mortgages, corporate bonds and agency and mortgage securities. He said that portfolio turns over approximately 25% a year and said as interest rates begin to rise, newer dollars will be invested in higher yielding securities.

Paoletti said only one fund is not meeting the County's investment policy criteria (American Century Vista Inv.). He said the fund is underperforming, compared to its benchmarks (see Page 31). Paoletti offered the following options: 1) Continue to monitor the fund's performance; 2) Transfer funds to the other fund in the asset class (Mid Cap Growth/Westfield Capital Fund); or 3) Add another mutual fund to the asset line-up. He suggested Prudential Jennison Mid Cap Growth Z as an alternative fund if Option 3 is selected.

Eagan asked Paoletti to check which mid-growth fund has a better risk adjustive return (see Tab III, Page 4). He was also asked to check how many employees are invested in the fund.

**MOTION:** Schorr moved and Hudkins seconded to refer the issue regarding the American Century Vista Inv. Fund to the Pension Review Committee (PRC) for recommendation. Hudkins, Workman, Stevens and Schorr voted aye. Motion carried 4-0.

Paoletti also reported that PRIAC has placed the Large Cap Growth/Waddell & Reed Fund on an internal "watch list" due to organizational changes. He said they are closely monitoring the fund and will let the County know if there are any changes in its status.

Also present were the following members of the Pension Review Committee (PRC): Terry Adams, Doug Cyr, Tim Genuchi, Bill Kostner, Dennis Meyer and Paula Stutheit.

## **5 BOARD OF CORRECTIONS**

Separate minutes.

**6 BUDGET UPDATE (CORRECTIONS, COMMUNITY MENTAL HEALTH CENTER (CMHC) AND SHERIFF)** - Dennis Meyer, Budget and Fiscal Officer; Mike Thurber, Corrections Director; Brad Johnson, Transition Coordinator; Terry Weber, Facility Administrator; Kent Griffith, Lancaster Correctional Facility (LCF) Administrator; Brenda Fisher, Program Director; Dean Settle, Community Mental Health Center Director; Travis Parker, CMHC Deputy Director; Judi Tannahill, Administrative Services Officer; Terry Wagner, Lancaster County Sheriff; Bill Jarrett, Chief Deputy Sheriff

### **Corrections**

Brad Johnson, Transition Coordinator, gave a PowerPoint presentation on the Operational Staffing Plan for the new jail (Exhibit B). **NOTE:** The plan assumes a population of 550 to 580 inmates. Johnson noted the dormitories were designed for direct supervision but said they have decided to operate them with intermittent supervision to reduce staffing levels. He said they believe they can be managed safely in this manner, given the type of inmates that will be housed in the dormitories.

Mike Thurber, Corrections Director, said they are requesting 50 additional correctional officers and 6 additional supervisory and maintenance positions to staff the facility and said hiring of those positions will be staggered.

Johnson said the staffing plan is based on a National Institute of Corrections formula and meets Nebraska Jail Standards's minimum staffing requirements.

Workman requested information regarding the current staff/inmate ratio and the national average.

In response to a question from Stevens, Thurber said the Corrections Department is currently on budget.

### **Community Mental Health Center (CMHC)**

Dean Settle, Community Mental Health Center (CMHC) Director, said his department is operating within projected budget expenditures but said revenues are beginning to lag. He said he is concerned there will be reductions in funding for behavioral health, Medicaid and Region V, which are CMHC's primary revenue sources, and in County funding. Settle said the Nebraska Department of Correctional Services is planning to release inmates more quickly to cut prison costs and relieve overcrowding and estimated that 25% will need assistance with securing psychotropic medications, therapy and case management. He said those individuals are likely to turn to CMHC or General Assistance (GA) and said a voucher program, similar to what Corrections has put in place for pre-payment of substance abuse treatment, may be one solution. Settle noted some individuals have received their psychotropic medications and mental health support services from their family physicians and said many physicians are electing to no longer handle that population, in light of cuts in Medicaid reimbursement. He said those individuals are also likely to turn to CMHC for assistance. In addition, Settle said he has learned that the Nebraska Department of Health and Human Services (HHS) plans to phase out mental health beds at the Lincoln Regional Center (LRC), which will place acute and sub-acute demands back on the community.

In response to a question from Stevens, Settle said Region V currently has an agreement to have 39 beds at LRC.

Travis Parker, CMHC Deputy Director, said as of yesterday, Region V only had access to 32 of those beds.

Stevens said it appears the State is not honoring its agreement with Region V.

Settle said the LRC Director and Governor have indicated that their priorities are responding to the court orders and to the forensic and sex offender populations.

Schorr suggested the Board lobby the Legislature's Health and Human Services Committee on this matter.

Settle also requested authorization to respond to a Request for Proposals (RFP) from the People's Health Center (PHC) for Region V Systems Behavioral Health Network Providers to submit proposals to provide a full-time behavioral health specialist who can deliver behavioral health services at PHC (Exhibit C).

**MOTION:** Schorr moved and Workman seconded to authorize the Community Mental Health Center (CMHC) to submit a response to the Peoples Health Center's (PHC's) Request for Proposal (RFP), with the stipulation that a contract is subject to approval by the County Board. Hudkins, Workman, Schorr and Stevens voted aye. Motion carried 4-0.

## **Sheriff**

Bill Jarrett, Chief Deputy Sheriff, said the department has been doing well in terms of the budget but said negotiated salary increases will create a shortfall by the end of the year. He said revenues appear to be on target for the year.

Terry Wagner, Lancaster County Sheriff, stressed the need for the Board to decide whether the Sheriff's Office or Corrections will be responsible for prisoner transport.

Board consensus was to schedule further discussion of that issue with Wagner and Mike Thurber, Corrections Director, before the end of December.

Wagner said the Nebraska Sheriff's Association plans to work on legislation to increase title inspection and handgun permit fees. He said they are also looking at the sex offender registration issue.

**MOTION:** Schorr moved and Workman seconded to ask the County Attorney's Office to research whether the County is statutorily prohibited from charging fees for sex offender registration. Schorr, Stevens, Workman and Hudkins voted aye. Motion carried 4-0.

## **7 PURCHASING BID PROTEST PROCEDURES/PROCUREMENT APPEALS BOARD** - Brittany Behrens, Deputy County Attorney; Bob Walla, Assistant Purchasing Agent

Brittany Behrens, Deputy County Attorney, gave an overview of revisions to the proposed Purchasing Bid Protest Procedures (see agenda packet). She said the intent is to use the City's Procurement Appeals Board and said the Board could pursue having input in future appointments to that body, perhaps through an interlocal agreement.

The following change was requested: Change the word *disinterested* to *unbiased* in Item (a)(4).

Bob Walla, Assistant Purchasing Agent, said the City requires protesters to submit a \$500 check if they wish to proceed after initial denial by the Purchasing Agent. He said the intent was to eliminate frivolous protests and said the protester receives their check back if their protest is successful.

Behrens said she did not include that requirement because the County does not appear to have statutory authority to charge a fee.

**MOTION:** Hudkins moved and Workman seconded to ask the County Attorney's Office to prepare a resolution that addresses the Purchasing Bid Protest Procedures and the Procurement Appeals Board for action at a County Board of Commissioners Meeting. Hudkins, Workman, Schorr and Stevens voted aye. Motion carried 4-0.

**8 A) COMMUNITY CORRECTIONS NEBRASKA CRIME COMMISSION GRANT; AND B) CONTRACT FOR CLINICIAN - Kim Etherton, Community Corrections Director**

**A) Community Corrections Nebraska Crime Commission Grant**

Kim Etherton, Community Corrections Director, said she will need to submit a revised budget to the Nebraska Crime Commission because the grant it awarded her department was \$53,000 less than requested (Exhibit D). She said the evaluation piece will now be of more limited scope than the extensive system-wide evaluation that was originally planned.

**MOTION:** Schorr moved and Hudkins seconded to authorize the Vice Chair to sign the budget revision. Workman, Hudkins, Schorr and Stevens voted aye. Motion carried 4-0.

Schorr asked Etherton to provide a revenue breakdown at the time of her budget update.

**B) Contract for Clinician**

Etherton said a contract for a new substance abuse treatment clinician will be brought forward as soon as she receives that individual's insurance certificate.

**ADDITIONS TO THE AGENDA**

- A. Press Release and National Association of County Officials (NACo) Newsletter Article Regarding Expansion of Drug Court

Etherton said she would like to submit an article for the National Association of County Officials (NACo) newsletter regarding grants the County has received to expand the Adult Drug Court and to expand the Pretrial Release Program to provide housing options for homeless and near homeless non-violent defendants who are considered ineligible because of their homeless circumstance.

It was suggested that Etherton also issue a press release and submit an article to the Nebraska Association of County Officials (NACO) for publication in their newsletter.

#### B. Personnel Matter (Executive Session)

Tom Fox, Deputy County Attorney, appeared and said there are procedures in place to address these types of matters. He said he has received information from the department head and said he will refer it to the appropriate department. Fox said if a Board member has information related to the matter they should let him know.

Hudkins asked Fox when he intended to brief the Board.

Fox said he would not do so unless it were necessary. He said these types of matters are typically addressed within the department or in conjunction with the Personnel Department.

**MOTION:** Hudkins moved to enter Executive Session for the purpose of protecting the public interest with regards to a personnel matter.

The motion died for the lack of a second.

### **9 PUBLIC PARTICIPATION RULES**

Item was moved forward on the agenda.

### **10 ACTION ITEMS**

- A. Authorize Payment of National Association of Government Defined Contribution Administrators (NAGDCA) Dues from Pension Reimbursement Account

Item was moved forward on the agenda.

### **11 CONSENT ITEMS**

There were no consent items.

## 12 ADMINISTRATIVE OFFICER REPORT

- A. Vacation of North Street in the Unincorporated Village of Agnew
- B. County Extension Board Reappointments (Wesley Daberkow, Debbora Day and Linda Butcher)
- C. Salaries for Unclassified Employees/Chief Deputies

Items A-C were moved forward on the agenda.

- D. WorkWell Breakfast (November 23, 2010)

Eagan indicated plans to attend.

- E. Mid-Year Budget Retreat Location (February 17, 2010)

Minette Genuchi, Administrative Assistant to the County Board, appeared and suggested Bryan/LGH Medical Center West or Union Bank on 27<sup>th</sup> Street and Pine Lake Road as possible sites for the Mid-Year Budget Retreat.

Stevens said the Lincoln Independent Business Association (LIBA) has also offered use of its conference room.

Board consensus was to accept LIBA's offer, provided their conference room is available on February 17<sup>th</sup>.

- F. Lincoln Chamber of Commerce Annual Luncheon (February 1, 2011)

Informational only.

- G. Letter of Support for Appointment of Tom Kubert, Great Plains Appraisal Company, Inc., as the 1<sup>st</sup> District Representative to the Nebraska Real Property Appraiser Board

**MOTION:** Hudkins moved and Workman seconded to submit a letter of support for Kubert's appointment, with signature by all members of the Board. Hudkins, Workman, Stevens and Schorr voted aye. Motion carried 4-0.

- H. Letter from Gerald Nickell (11701 West Van Dorn Street, Denton, Nebraska) Regarding His Driveway

**NOTE:** Nickell states in his letter that County Engineering's efforts to widen West Van Dorn Street severely impacted his driveway (see agenda packet).

Board consensus was to ask the Chair to have a discussion with the County Engineer on how to resolve the issue.

I. Meeting Regarding District Energy Corporation (DEC) Wellfield at New Jail Site

Workman said the contractor will have to re-drill 145 wells because they are not the proper diameter and did not pass inspection.

**13 PENDING**

There were no pending items.

**14 DISCUSSION OF BOARD MEMBER MEETINGS**

A. District Energy Corporation (DEC) - Hudkins, Workman

Workman said they received a report on the DEC wellfields.

Hudkins said there could be a change in the master plan for DEC's heating/cooling unit for the new Haymarket Arena.

B. Nebraska Innovation Zone Commission (NIZC) - Hudkins

Hudkins said he did not attend the meeting.

Eagan said a proposed Memorandum of Support and Commitment for the Interstate-80 Corridor Region that will take the place of the State created NIZC Committee will be scheduled on the November 23<sup>rd</sup> County Board of Commissioners Meeting agenda.

C. Region V - Workman

Workman said they received a report from their auditors and a presentation by a provider.

D. Region V Governing Board - Workman

See Item C.

E. Monthly Meeting with Mayor - Heier, Stevens

The meeting was cancelled.

F. Air Pollution Control Advisory Committee - Hudkins

Hudkins said he did not attend the meeting.

G. Board of Health - Schorr

Schorr said they discussed pipeline safety and proposed changes to the Food Code.

H. Lincoln Independent Business Association (LIBA) Budget Monitoring Committee - Stevens

Stevens said discussion focused on plans for a new Lincoln Electric System (LES) transmission line that will link four substations in central Lincoln and the Catalyst Project (development of the block bounded by 13<sup>th</sup>, 14<sup>th</sup>, Q and P Streets into a ten-story building with retail, apartment and parking space).

I. Lincoln Metropolitan Planning Organization (MPO) Officials Committee - Stevens

Stevens said their discussion tied into a discussion the Board had with representatives of the Nebraska Department of Roads (NDOR) at the October 28<sup>th</sup> Staff Meeting. That discussion was related to the State's project to widen Interstate-80 to six lanes between Omaha and Lincoln which involved the removal and replacement of several county roads that cross I-80. Board members indicated at that time that they wanted to avoid having two adjacent bridges (section line roads) closed at the same time. NDOR representatives explained that weather had delayed construction of the North 84<sup>th</sup> Street bridge and its opening would be delayed until November 15<sup>th</sup>. The North 70<sup>th</sup> Street Bridge was scheduled to close on November 1<sup>st</sup>. A compromise was reached to delay the closing of the North 70<sup>th</sup> Street until November 8<sup>th</sup>, leaving a one week overlap. Stevens said he learned at the meeting that opening of the North 84<sup>th</sup> Street bridge has now been delayed until Thanksgiving.

J. 2010 County Government Day - Workman

Workman reported on the event, noting a mock County Board Meeting was held.

Cori Beattie, Deputy County Clerk, commended Minette Genuchi, Administrative Assistant to the County Board, for her work in coordinating the event. She added that Lancaster County has one of the strongest County Government Day programs in the State.

Schorr suggested that Beattie write an article regarding Lancaster County's County Government Day program for the Nebraska Association of County Officials (NACO) Newsletter.

## **15 EMERGENCY ITEMS AND OTHER BUSINESS**

Stevens said he spoke to Mayor Beutler and asked him to consider moving his press conferences from Thursday mornings to a day or time that does not conflict with the Board's Staff Meetings.

## **16 ADJOURNMENT**

**MOTION:** Schorr moved and Hudkins seconded to adjourn the meeting at 12:29 p.m. Hudkins, Workman, Stevens and Schorr voted aye. Motion carried 4-0.

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Dan Nolte  
Lancaster County Clerk